

**PARKS AND RECREATION COMMISSION  
OF CARENCRO, INC.**

Carencro, Louisiana

Financial Report

Year Ended November 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Parks and Recreation Commission of Carencro, Inc.  
Carencro, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Parks and Recreation Commission of Carencro, Inc. (PARC), a component unit of the City of Carencro, Louisiana, as of and for the year ended November 30, 2009, which collectively comprise the PARC's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the members of the Parks and Recreation Commission of Carencro, Inc. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the PARC's 2008 financial statements and, in our report dated February 17, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Parks and Recreation Commission of Carencro, Inc., as of November 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 17, 2010, on our consideration of the PARC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The required supplementary information on pages 25 and 26 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The prior year comparative information on the required supplementary information has been derived from the PARC's 2008 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Parks and Recreation Commission of Carencro, Inc. has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
February 17, 2010

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Statement of Net Assets  
November 30, 2009  
With Comparative Totals for November 30, 2008

	2009			2008
	Governmental	Business-Type	Total	Totals
	Activities	Activities		
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$392,857	\$ 87,078	\$ 479,935	\$ 652,517
Receivables, net	7	-	7	17
Due from sponsors	-	-	-	4,599
Internal balances	(23,273)	23,273	-	-
Grant receivable	-	-	-	11,000
Other receivables	-	868	868	36,543
Inventory	521	28,934	29,455	25,489
Total current assets	370,112	140,153	510,265	730,165
Noncurrent assets:				
Capital assets, net	-	1,002,194	1,002,194	696,875
Total assets	370,112	1,142,347	1,512,459	1,427,040
<b>LIABILITIES</b>				
Accounts and other payables	60	6,005	6,065	12,265
Unearned revenues	-	18,541	18,541	32,875
Total liabilities	60	24,546	24,606	45,140
<b>NET ASSETS</b>				
Invested in capital assets	-	1,002,194	1,002,194	696,875
Restricted for recreation	370,052	-	370,052	606,641
Unrestricted	-	115,607	115,607	78,384
Total net assets	\$370,052	\$1,117,801	\$1,487,853	\$1,381,900

The accompanying notes are an integral part of the basic financial statements.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Statement of Activities  
For the Year Ended November 30, 2009

Activities	Program Revenues			Net (Expense) Revenues and	
	Expenses	Fees, and Charges for Services	Operating Grants and Contributions	Changes in Net Assets	
				Governmental Activities	Business-Type Activities
Governmental activities:					
General government	\$ 96,416	\$ -	\$ -	\$ (96,416)	\$ -
Recreation	60,510	2,155	-	(58,355)	-
Total governmental activities	156,926	2,155	-	(154,771)	-
Business-type activities:					
Park operation and maintenance	801,017	665,992	17,616	-	(117,409)
Total	\$ 957,943	\$ 668,147	\$ 17,616	(154,771)	(117,409)
					(272,180)
General revenues:					
Interest and investment earnings				1,118	-
Miscellaneous				10,183	37,773
Net transfers from primary government				329,059	-
Transfers				(422,178)	422,178
Total general revenues and transfers				(81,818)	459,951
					378,133
Change in net assets				(236,589)	342,542
					105,953
Net assets - December 1, 2008				606,641	775,259
					1,381,900
Net assets - November 30, 2009				\$ 370,052	\$1,117,801
					\$1,487,853

The accompanying notes are an integral part of the basic financial statements.



## **FUND FINANCIAL STATEMENTS (FFS)**

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Comparative Balance Sheet - Governmental Fund  
November 30, 2009 and 2008

	General Fund	
	2009	2008
ASSETS		
Interest-bearing deposits	\$ 392,857	\$ 607,884
Receivables:		
Accrued interest	7	17
Inventory	<u>521</u>	<u>-</u>
Total assets	<u>\$ 393,385</u>	<u>\$ 607,901</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 60	\$ 25
Due to Park Operating Fund	<u>23,273</u>	<u>1,235</u>
Total liabilities	23,333	1,260
Fund balance:		
Designated for recreation	<u>370,052</u>	<u>606,641</u>
Total liabilities and fund balance	<u>\$ 393,385</u>	<u>\$ 607,901</u>

The accompanying notes are an integral part of the basic financial statements.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Fund  
For the Years Ended November 30, 2009 and 2008

	General Fund	
	2009	2008
Revenues:		
Charges for services	\$ 2,155	\$ 2,030
Miscellaneous	<u>11,301</u>	<u>10,233</u>
Total revenues	<u>13,456</u>	<u>12,263</u>
Expenditures:		
Current -		
General government	96,416	93,386
Recreation	<u>60,510</u>	<u>52,684</u>
Total expenditures	<u>156,926</u>	<u>146,070</u>
Deficiency of revenues over expenditures	<u>(143,470)</u>	<u>(133,807)</u>
Other financing sources (uses):		
Transfers in - primary government	329,059	363,916
Transfers out	<u>(422,178)</u>	<u>(86,477)</u>
Total other financing sources (uses)	<u>(93,119)</u>	<u>238,514</u>
Net changes in fund balance	(236,589)	143,632
Fund balance, beginning	<u>606,641</u>	<u>463,009</u>
Fund balance, ending	<u>\$ 370,052</u>	<u>\$ 606,641</u>

The accompanying notes are an integral part of the basic financial statements.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Comparative Statement of Net Assets  
Proprietary Fund  
November 30, 2009 and 2008

	<u>Park Operating Fund</u>	
	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 87,078	\$ 44,633
Due from General Fund	23,273	1,235
Due from sponsors	-	4,599
Grant receivable	-	11,000
Other receivables	868	36,543
Inventory	<u>28,934</u>	<u>25,489</u>
Total current assets	140,153	123,499
Noncurrent assets:		
Capital assets, net of accumulated depreciation	<u>1,002,194</u>	<u>696,875</u>
Total assets	<u>1,142,347</u>	<u>820,374</u>
<b>LIABILITIES</b>		
Accounts payable	3,505	5,782
Accrued liabilities	2,500	6,458
Unearned revenues	<u>18,541</u>	<u>32,875</u>
Total liabilities	<u>24,546</u>	<u>45,115</u>
<b>NET ASSETS</b>		
Invested in capital assets	1,002,194	696,875
Unrestricted	<u>115,607</u>	<u>78,384</u>
Total net assets	<u>\$1,117,801</u>	<u>\$775,259</u>

The accompanying notes are an integral part of the basic financial statements.

# PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

## Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund For the Years Ended November 30, 2009 and 2008

	<u>Park Operating Fund</u>	
	<u>2009</u>	<u>2008</u>
Operating revenues:		
Charges for services -		
Concession and lounge sales	\$297,180	\$335,223
Tournament fees	64,386	107,045
League, entry and sponsorship fees	127,809	131,335
Gate receipts	44,926	41,162
Membership dues	109,961	107,647
Pro-shop sales	9,685	20,397
Park rental income	8,122	3,250
Billboard sales	-	2,260
Vending machine, pool table, batting cage, and arcade income	3,923	3,762
Miscellaneous -		
Other	<u>37,773</u>	<u>755</u>
Total operating revenues	<u>703,765</u>	<u>752,836</u>
Costs of revenues:		
Purchases -		
Food	94,360	99,191
Liquor	14,833	17,758
Beer	48,803	43,123
Pro-shop	6,250	13,272
Tobacco	<u>2,585</u>	<u>2,841</u>
Total cost of revenues	<u>166,831</u>	<u>176,185</u>
Gross profit	<u>536,934</u>	<u>576,651</u>

(continued)

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets -

Proprietary Fund - (Continued)

For the Years Ended November 30, 2009 and 2008

	Park Operating Fund	
	2009	2008
Operating expenses:		
Salaries	\$ 184,373	\$150,531
Payroll taxes	17,384	14,118
Workman's compensation	11,809	15,333
Awards	18,610	41,717
Depreciation expense	86,155	75,457
Legal and accounting	15,436	10,005
Lounge entertainment	2,258	3,150
Office and postage expenses	11,155	14,069
Promotions	-	565
Scorekeeper pay	18,075	18,744
Service contracts	16,256	16,908
Sponsorship fees	4,920	2,530
Umpire fees	82,318	85,577
Utilities and telephone	41,769	55,566
USSSA fees	27,326	29,780
Repairs, maintenance and supplies	27,342	40,894
Tournament fees	9,281	6,280
Miscellaneous	26,600	20,656
Total operating expenses	601,067	601,880
Operating loss	(64,133)	(25,229)
Nonoperating revenues (expenses):		
Interest expense	(146)	(39)
Grant revenue	-	11,000
Insurance reimbursement	17,616	36,543
Hurricane expenses	-	(37,543)
PARC expenses paid by Pelican Park	(32,973)	(33,781)
Total nonoperating revenues (expenses)	(15,503)	(23,820)
Loss before transfers	(79,636)	(49,049)
Transfers in:		
Transfers from General Fund	422,178	86,477
Change in net assets	342,542	37,428
Net assets, beginning	775,259	737,831
Net assets, ending	\$1,117,801	\$775,259

The accompanying notes are an integral part of the basic financial statements.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Comparative Statement of Cash Flows  
Proprietary Fund  
Years Ended November 30, 2009 and 2008

	<u>Park Operating Fund</u>	
	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Receipts from customers	\$ 665,992	\$755,583
Payments to suppliers	(452,726)	(568,932)
Payments to employees	(201,757)	(164,649)
Other receipts	37,773	755
Net cash provided by operating activities	<u>49,282</u>	<u>22,757</u>
Cash flows from noncapital financing activities:		
Cash received from General Fund	<u>400,140</u>	<u>137,782</u>
Cash flows from capital and related financing activities		
Interest payments	(146)	(39)
Acquisition of property, plant and equipment	(391,474)	(111,209)
Hurricane expenses	-	(37,543)
Insurance reimbursement	17,616	36,543
Grant income	-	11,000
PARC expenses paid by Pelican Park	<u>(32,973)</u>	<u>(33,781)</u>
Net cash used by capital and related financing activities	<u>(406,977)</u>	<u>(135,029)</u>
Net increase in cash and cash equivalents	42,445	25,510
Cash and cash equivalents, beginning of period	<u>44,633</u>	<u>19,123</u>
Cash and cash equivalents, end of period	<u>\$ 87,078</u>	<u>\$ 44,633</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (64,133)	\$ (25,229)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	86,155	75,457
(Increase) decrease in receivables	51,274	(44,041)
(Increase) decrease in inventory	(3,445)	13,746
Increase (decrease) in accounts payable	(2,277)	410
Decrease in accrued liabilities	(3,958)	(404)
Increase (decrease) in unearned revenues	(14,334)	3,818
Decrease in deposits	-	(1,000)
Net cash provided by operating activities	<u>\$ 49,282</u>	<u>\$ 22,757</u>

The accompanying notes are an integral part of the basic financial statements.

## PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

### Notes to Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the Parks and Recreation Commission of Carencro, Inc. (PARC) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary fund, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:514 and to the guides set forth in the industry audit guide, Louisiana Governmental Audit Guide.

The following is a summary of certain significant accounting policies:

##### A. Financial Reporting Entity

The PARC is a component unit of the City of Carencro, Louisiana, the primary government. The PARC is dependent on the City of Carencro for budget approval, approval of debt issuance and appointment of the majority of commission members and is therefore considered a component unit. These financial statements report only the PARC, the component unit.

##### B. Basis of Presentation

###### Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the PARC and for each function of the PARC's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.



## PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

### Notes to Financial Statements (Continued)

#### Fund Accounting

The accounts of the PARC are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The two funds of the PARC are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the PARC are described below:

#### Governmental Fund -

##### General Fund

The General Fund is the general operating fund of the PARC. It is used to account for all financial resources except those required to be accounted for in another fund.

#### Proprietary Fund -

##### Enterprise fund

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The PARC's enterprise fund is the Park Operating Fund.

## PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

### Notes to Financial Statements (Continued)

#### C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

##### Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This funds uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Proprietary fund equity is classified as net assets.

##### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

## PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

### Notes to Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### D. Assets, Liabilities and Equity

##### Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the PARC.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit with an original maturity of three months or less.

##### Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds."

##### Inventories

Inventories in the proprietary fund are accounted for at the lower of cost or market.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Notes to Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the business-type activities column in the government-wide financial statements. The governmental activities have no capital assets. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The PARC maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building and improvements	40 years
Furniture, fixtures and equipment	5-10 years

In the fund financial statements, the governmental fund operations have no capital assets. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

The PARC adopted a vacation and sick leave policy similar to that of the City of Carencro during the fiscal year ending November 30, 2009. Sick leave is earned at the rate of one day for each month worked, with a limit of ten days per year. Vacation leave is accumulated as follows:

1-5 years	5 days
6-10 years	10 days
Over 10 years	15 days

Thirty days of sick leave and one week of vacation may be carried over to a subsequent year. Upon termination of employment, employees are to be paid for accumulated vacation leave only.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Notes to Financial Statements (Continued)

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Notes to Financial Statements (Continued)

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers.

F. Revenue Restrictions

The PARC has a legal restriction placed over the revenue received from the City of Carencro from the proceeds of the 1993 Sales Tax Fund due to the dedication of the use of the proceeds. See Note 6.

The City uses unrestricted resources only when restricted resources are fully depleted.

G. Budgets and Budgetary Accounting

The following are the procedures required to be followed with regard to preparation and adoption of the budget:

1. The treasurer prepares a proposed budget and submits it to the Parks and Recreation Commission for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfers of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Commission.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Commission. Such amendments were not material in relation to the original appropriations.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Notes to Financial Statements (Continued)

H. Capitalization of Interest Expense

It is the policy of the PARC to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At November 30, 2009, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

At November 30, 2009, the PARC has cash balances (book balances) totaling \$479,935 as follows:

Cash	\$ 87,078
Interest-bearing deposits	<u>392,857</u>
	<u>\$479,935</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the PARC's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) in the amount of \$496,670 are fully secured by federal deposit insurance at November 30, 2009.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Notes to Financial Statements (Continued)

(3) Capital Assets

Capital asset activity for the year ended November 30, 2009 was as follows:

	Balance 12/1/2008	Additions	Deletions	Balance 11/30/2009
Business-type activities:				
Land	\$ -	\$ 366,886	\$ -	\$ 366,886
Construction in progress	2,640	-	2,640	-
Building and improvements	624,109	4,460	-	628,569
Furniture, fixtures and equipment	378,401	22,768	-	401,169
	1,005,150	394,114	2,640	1,396,624
Less: Accumulated depreciation	308,275	86,155	-	394,430
Business-type activities, capital assets, net	\$ 696,875	\$ 307,959	\$ 2,640	\$ 1,002,194

Depreciation expense of \$86,155 was charged to park operation and maintenance.

(4) Unearned revenues

Unearned revenues of \$18,541 consist of league and membership fees collected in advance for the 2009 fall and winter season.

(5) Lease Agreement with the City of Carencro

The Parks and Recreation Commission of Carencro, Inc. entered into a contract with the City of Carencro for PARC to use, maintain, administer, operate, construct, acquire, and improve recreational facilities within the city limits of Carencro and administer and organize recreational, physical, and fitness activities for the general populous of Carencro. Effective December 1, 2005, PARC shall make monthly payments to the City in the amount of \$4,200 as a lease expense for PARC's use of the Pelican Park property. As such, Pelican Park property in the net amount of \$855,878 was removed from PARC's general ledger and is recorded in the City of Carencro's government-wide financial statements. The contract continues for one-year intervals unless and until one of the parties to the contract gives written notice to the other party on or before October 1 of the current calendar year of its intent to terminate the contract. The lease expense is recorded in the General Fund of PARC, Inc.

(6) Transfers from Primary Government

Most of the revenues from PARC's General Fund are derived from transfers from the City of Carencro, the primary government. The transfers are made from one-third (1/3) of the 1993 sales and use tax levied by the City. The funds are dedicated for recreational purposes.



PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Notes to Financial Statements (Continued)

(7) Risk Management

PARC is exposed to risks of loss in the area of general liability. These risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(8) Litigation

PARC was a defendant in three lawsuits filed for injuries sustained on the premises. In the opinion of PARC's legal counsel, the only exposure to PARC would be any costs in defense of the lawsuits with no liability to the PARC in excess of insurance coverage.

(9) Interfund Transactions

Transfers of \$422,178 were made from the General Fund to the Park Operating Fund in order to properly charge the expenditures of the monies to the fund to which they were applicable in accordance with budgetary authorizations.

(10) Subsequent Event Review

PARC's management has evaluated subsequent events through March 15, 2010, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
General Fund

Budgetary Comparison Schedule  
For the Year Ended November 30, 2009  
With Comparative Actual Amounts for the Year Ended November 30, 2008

	2009					
	Budget			Variance -	2008	
	Original	Final	Actual	Favorable (Unfavorable)	Actual	
Revenues:						
Charges for services:						
Registration fees	\$ 2,000	\$ 2,155	\$ 2,155	\$ -	\$ 2,030	
Miscellaneous -						
Sponsor income	6,000	9,000	9,277	277	6,500	
Interest income	1,800	1,100	1,118	18	2,386	
Other	-	800	906	106	1,347	
Total revenues	<u>9,800</u>	<u>13,055</u>	<u>13,456</u>	<u>401</u>	<u>12,263</u>	
Expenditures:						
Current -						
General government:						
Legal and accounting	26,000	6,500	7,149	(649)	6,702	
Office expenditures and supplies	1,200	450	610	(160)	791	
Park insurance	15,250	15,000	13,248	1,752	11,775	
Utilities	14,400	7,200	7,188	12	9,044	
Repairs and maintenance	4,200	5,100	6,816	(1,716)	2,310	
Maintenance - inmates	9,600	9,600	9,600	-	9,600	
Lease expenditure	50,400	50,400	50,400	-	50,400	
Travel	3,000	2,000	1,033	967	1,979	
Miscellaneous	1,100	-	372	(372)	785	
Total general government	<u>125,150</u>	<u>96,250</u>	<u>96,416</u>	<u>(166)</u>	<u>93,386</u>	
Recreation:						
Salaries	18,000	18,440	18,440	-	18,265	
CAYSI appropriation	12,000	13,600	13,682	(82)	10,495	
Other park appropriations	1,300	-	4,133	(4,133)	2,958	
Park concert program	25,000	22,000	22,284	(284)	18,993	
Summer recreation program expenditures	<u>1,200</u>	<u>2,600</u>	<u>1,971</u>	<u>629</u>	<u>1,973</u>	
Total recreation	<u>57,500</u>	<u>56,640</u>	<u>60,510</u>	<u>(3,870)</u>	<u>52,684</u>	
Total expenditures	<u>182,650</u>	<u>152,890</u>	<u>156,926</u>	<u>(4,036)</u>	<u>146,070</u>	
Deficiency of revenues over expenditures	(172,850)	(139,835)	(143,470)	(3,635)	(133,807)	

(continued)

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
General Fund

Budgetary Comparison Schedule - (Continued)  
For the Year Ended November 30, 2009  
With Comparative Actual Amounts for the Year Ended November 30, 2008

	2009			Variance -	2008
	Budget			Favorable	
	Original	Final	Actual	(Unfavorable)	Actual
Other financing sources (uses):					
Transfer from primary government	360,000	355,000	350,392	(4,608)	387,449
Transfer to primary government	(24,000)	(23,500)	(21,333)	2,167	(23,533)
Transfer to Park Operating Fund	<u>(120,000)</u>	<u>(420,485)</u>	<u>(422,178)</u>	<u>(1,693)</u>	<u>(86,477)</u>
Total other financing sources (uses)	<u>216,000</u>	<u>(88,985)</u>	<u>(93,119)</u>	<u>(4,134)</u>	<u>277,439</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	43,150	(228,820)	(236,589)	(7,769)	143,632
Fund balance, beginning	<u>606,641</u>	<u>606,641</u>	<u>606,641</u>	<u>-</u>	<u>463,009</u>
Fund balance, ending	<u>\$649,791</u>	<u>\$377,821</u>	<u>\$370,052</u>	<u>\$(7,769)</u>	<u>\$ 606,641</u>

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Parks and Recreation Commission, Inc.  
Carencro, Louisiana

We have audited the component unit financial statements of the governmental activities, the business-type activities, and each major fund of the Parks and Recreation Commission of Carencro, Inc. as of and for the year ended November 30, 2009, which collectively comprise the PARC's basic financial statements and have issued our report thereon dated February 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Parks and Recreation Commission, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the PARC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the PARC's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the PARC's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the PARC's financial statements that is more than inconsequential will not be prevented or detected by the PARC's internal control. We consider the control deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 09-1(IC) and 09-2(IC) to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the PARC's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PARC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The PARC's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the PARC's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the PARC's management, the City' of Carencro's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
February 17, 2010

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended November 30, 2009

Fiscal Year Finding Initially Occurred		Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Ref. No.						
CURRENT YEAR (11/30/09) --						
<u>Internal Control:</u>						
09-1(IC)	1994	Due to the small number of employees, the commission did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Murray Conque, Commissioner	N/A
09-2(IC)	2008	The PARC does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The PARC has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Murray Conque, Commissioner	N/A
PRIOR YEAR (11/30/08) --						
<u>Internal Control:</u>						
08-1(IC)	1994	Due to the small number of employees, the commission did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Elaine Richard, Treasurer	N/A

(continued)



PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended November 30, 2009

Fiscal Year	Ref. No.	Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date